

A STUDY ON IMPORTANCE OF ASSETS AND LIABILITIES

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Abstract:

My project title is “A study on assets and liabilities of HDFC Bank”. DFC deals with various types of products in the industry and it also offers flexible services to the customers. My study involves in knowing about the products under assets and liabilities and analyzing those products offered by bank. Assets are the applications of the bank in the industry. The loans are the main assets to the bank. Liabilities are the sources to the bank. The accounts and deposits are considered to be the liabilities of the bank. Liabilities play a key role in the banking industry when compared to assets.

Through this project, I have learned the features and benefits of the assets and liabilities. And I have done the analysis part of assets and liabilities of bank using some mathematical tools to know the financial performance of the bank. In assets, I have learnt various types of loans, credit cards and in liabilities, various types of accounts & deposits, debit cards, insurance and mutual funds. In this project the data is collected through direct interaction with bank officials, bank information brochures and official websites.

INTRODUCTION

The project “assets and liabilities of HDFC Bank” primarily concentrates on the assets and liabilities of the bank. There are different types of products and services which come under assets and liabilities of the bank. The assets are those which are owned by the business or they are the applications of the business. There are different types of products facilitated by the bank as the assets. The assets of HDFC Bank are credit cards, auto loans, personal loans, car loans, education loans, loans against rental receivables, loans against properties, loans against securities, gold loans, two wheeler loans, express loans, trade finance, business banking mortgage, home loans and smart draft.,etc.The liabilities are those owes by business or they are the sources of the business. There are also different products belong to liabilities. Those are savings account, current account, Demat account, fixed deposits, term deposits, safe deposit lockers, prepaid cards, debit cards, insurance, mutual funds, forex etc.The liabilities are more important when compared to the assets of the bank as they are taking high interest to the bank than the assets.

Assets and liabilities of HDFC bank

Loans are considered to be the assets of the bank and accounts & deposits by customers are considered to be the liabilities of the bank.

Assets	Liabilities
1. Credit cards	1. Savings account
2. Home loans	2. Current account
3. Personal loans	3. Demat account
4. Car loans	4. Fixed deposits
5. Education loans	5. Insurance
6. Gold loans	6. Mutual funds
7. Express loans.	7. Forex
8. Loan against securities	8. Debit cards
9. Loans against properties	9. Term deposits
10. Loans against rental receivables	10. Safe locker deposits
11. Two-wheeler loans.	11. Mudra gold bar

NEED OF THE PROJECT

The project “Assets and Liabilities of HDFC bank” primarily concentrates on the assets and liabilities of the bank. The assets are those which are owned by the business. The liabilities are the sources of the business. This study helped me to know the performance of assets and liabilities of HDFC bank.

OBJECTIVES OF THE PROJECT

1. To study the features of various products and services offered by HDFC Bank.
2. To make a study on the various requirements, procedure and charges for applying different types of products.
3. To analyze and compare different types of assets and liabilities of the HDFC Bank.

IMPORTANCE OF THE PROJECT

Banking sector is the big boom to the Indian financial system in recent times. Without a sound and effective banking system in India it cannot have a healthy economy. A large number of new players have entered the market and trying to gain market share in this rapidly improving market.

The assets are those which are owned by the business or they are the applications of the business. There are different types of products facilitated by the bank as the assets. The assets of HDFC Bank are credit cards, auto loans, personal loans, car loans, education loans, loans against rental receivables, loans against properties, loans against securities, gold loans, two wheeler loans, express loans, trade finance, business banking mortgage, home loans and smart draft.,etc.

SCOPE OF THE PROJECT

Banking sector is the big boom to the Indian financial system in recent times. Without a sound and effective banking system in India it cannot have a healthy economy. A large number of new players have entered the market and trying to gain market share in this rapidly improving market. I have completed my project work successfully in HDFC Bank. I have carried on my project in Banjarahills branch which is one of the well- known branches of HDFC Bank. My project title is assets and liabilities of HDFC Bank. So, my study is on assets products and liabilities products offered by HDFC Bank. This study helped me to know the performance of assets and liabilities of HDFC Bank.

LIMITATIONS OF THE PROJECT

Time constraints.

My project is consisting of both secondary data and primary data collection.

Analysis part has done on the basis of available secondary data.

RESEARCH METHODOLOGY / LITERATURE SURVEY

The research methodology is helpful in identifying the problem, collecting, analyzing the required information and providing an alternative solution to the problem. It also helps in collecting the vital information that is required by the top management to assist them for the better decision making both day to day decision and critical ones.

Data sources:-

a) Primary Source: The primary data that I collected is the first hand information, which I received through direct interaction with the bank official.

b) Secondary Source:

Bank information brochures.

Official websites of the HDFC Bank.

Journals and Magazines.

Tools used for analysis: Tables Assets are the applications of the bank in the industry. The loans are the main assets to the bank. Liabilities are the sources to the bank. The accounts and deposits are considered to be the liabilities of the bank. Liabilities play a key role in the banking industry when compared to assets. The liabilities are those owes by business or they are the sources of the business. There are also different products belong to liabilities. Those are savings account, current account, Demat account, fixed deposits, term deposits, safe deposit lockers, prepaid cards, debit cards, insurance, mutual funds, forex etc. The liabilities are more important when compared to the assets of the bank as they are taking high interest to the bank than the assets

Assets of the bank Personal loans:

HDFC is offering personal loans to salaried, self-employment people from Rs. 25,000 to Rs. 15, 00,000/- based on their ability.

Personal loans will be given to the different types of purposes like education, business expenses, furniture, vacation, medical expenses, jewellery, home renovation etc.

Salaried employees are provided with loans based on their salaries.

The interest rates are different for the salaried employees based on Super Cat-A, Cat-A, Cat-B, Cat-C, Cat-D and CSA-A, CSA-B, CSA-C, CSA-D companies.

The minimum salary for the salaried employees to get the loans is Rs. 12000/-

Self-employment people are divided into trading, professionals, and self-employment. These are getting the loans based on their IT Returns.

Features and benefits:

Flexible repayment options ranging from 12 to 60 months.

We can repay with easy EMIs.(every month installments)Hassle free loans- mean no guarantor / security / collateral are required.

Customer privileges

It provides special offers to the people who already have the salary account.

Top-up loans: if the customer is an existing personal loan customer with a clear, HDFC bank can give him the other loans based on the existing loan.

Credit shield: In case of death or total permanent disability of the loanee, the loanee/ nominee can avail of the payment protection insurance.

2.Home loans:

An HDFC home loan is useful to meet all customers' housing finance needs. It has 3 decades of an exclusive experience, a dedicated team of experts and a complete package to fulfill the dreams of customer.

Features and benefits:

Home loan- Home loans for individuals to purchase (fresh/ resale) or construct houses. Application can be made individually or jointly. HDFC finances up to 85% maximum of the cost of the property (Agreement value + Stamp duty + Registration charges) based on the repayment capacity of the customer.

Home improvement loan- HIL facilities internal and external repairs and other structural improvements like painting, waterproofing, plumbing and electric works, tiling and flooring, grills and aluminium windows. HDFC finances up to 85% of the cost of renovation (100% for existing customers) subject to market value of the property.

Home extension loan- HEL facilities the extension of an existing dwelling unit. All the terms are the same as applicable to home loan.

Land purchase loan- Be it land for a dream house, or just an investment for the future, HDFC Land Purchase loan is a convenient loan facility to purchase land. HDFC finances up to 85% of the cost of the land (conditions apply). Repayment of the loan can be done over a maximum period of 15 years.

Choose from fixed rate or floating rate with options to structure loan as partly fixed or partly floating.

Flexible repayment options to suit individual needs.

Customer privileges- If the customer is an existing HDFC Home loan customer, he can avail of other loans (such as personal loans, car loans, two-wheeler loans and loan against securities) at lower interest rates.

3.Two-wheeler loans:

HDFC Bank is offering the two wheeler loans for the customers who have the passion and need to buy.

Features and benefits:

Flexible repayment options ranging from 12 to 48 months. The customers can repay through post-dated cheques with easy EMIs.

These loans are hassle free means no guarantor/security/ collateral is required.

Available for almost all models at attractive interest rates.

4. Car loans:

All people have the desires and dreams to buy the new cars. But everybody is not able to fulfill their dreams. HDFC Bank is providing the new car loans to them with attractive interest rates. There are different facilities like quick approval, speedy processing.

Features and benefits:

These loans cover the widest range of cars and multi-utility vehicles in India.

Availability of 100% finance on your favorite car.

There are flexible repayment options ranging from 12 to 84 months.

Customers can borrow up to 3 times of their annual salary (for salaried professionals) and 6 times of their annual income (for self employed professionals).

The customer can repay with easy EMIs (every month installment).

Documentation is hassle free- no guarantor is required.

Customer privileges

If the people have the corporate salary account with HDFC bank they can get fast approvals on their loans.

If the people are the existing HDFC bank car loan customer with a clear repayment of 12 months or more the bank can Top-Up their car loan to the extent of the original loan value.

5.Express loans:

HDFC is offering the express loans for the customer to fulfill their needs. Documentation is minimum, approval is quick and procedure is simple.

Features and benefits:

- The bank is offering Rs. 1, 50,000/- for any purpose depending on the customer needs.
- Flexible repayment options are ranging from 12 to 36 months.
- The customer can repay these express loans with easy Every Month Installments (EMIs).
- These loans are hassle free, means no guarantor / collateral / security are required.

Customer privileges:

- There are some special interest rates for the people who are existing customers.
- Minimum documentation is available.

6.Educational loans:

Education loans are provided to the different purposes regarding education. HDFC bank can also offer for working executives. They offer the facilities like lower interest rates, priority loan disbursement, and free savings account are some of the benefits the customer gets to enjoy with the education loans.

All the institutes in India/ abroad offering higher education programs have been classified into

- Super tier 1 (ST1)
- Tier 1(T1)
- Tier 2(T2)
- Tier 3(T3)

Based on these education programs the students will be provided loans.

Features and benefits:

- The bank offers education loans to the students up to Rs.20 lakhs.
- **Moratorium:** moratorium is a principal repayment holiday offered to the customer during which only simple interest is serviced on a monthly basis.
- For Super Tier1/ Tier1/ Tier2 the moratorium period of course duration +1 year or 6 months whichever is earlier for the customer in terms of employment.
- For Tier3 moratorium period will be restricted to the course duration only. This will be applicable for 4 disciplines only i.e. management, engineering, medical & architecture.

7.Loans against rental receivables:

The customer can enjoy the benefits of future rentals today and execute the business plans immediately. HDFC Bank's Loan against Rental Receivables (LARR) empowers the customers to use their rental cash flows.

Under LARR, we provide funds for customers business against their rental receivables. The customer can use the funds to grow the business, consolidate their existing loans, expand their business into newer ventures or use the funds for any other requirement that they may have.

Features and benefits:

- ❖ There is a higher eligibility on net rentals.
- ❖ They provide attractive interest rates.
- ❖ Extended loan tenure is available.
- ❖ Customized product to suit the customer needs and structured specially for the customers.

8.Loans against Property (LAP):

HDFC Bank brings to the customer Loan Against Property (LAP). If the customers need large amount of cash, they can take a loan against their residential or commercial property, to fulfill their needs.

Loan to purchase commercial property(LCP) is a specially designed product to help the customer to expand the business without reducing the capital from the business.

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QUESTIONNAIRE

SUPPLIERS

- What type of materials do you supply?
- Typical process to place an order by a customer? (i.e. visit the store, phone)
- Once the order is placed, how it is processed?
- Do you use any computers to process the orders?
- Who monitors the process? • Do you use any technology (i.e. bar codes, EDI, RFID) for inventory control?
- What happens if you don't have the quantity required by the customer?
- Do you have many customers asking the price matching?
- Do you do pack all the materials needed by a contractor in a pallet and have them ready for pick up by the customer?
- Do you do JIT delivery?
- How effective is your delivery in terms of time and quality?

- What are the major problems that you can identify in the system? (i.e. delivery times, quantities, relations with customers)

CONTRACTORS

- What is the type of materials that you usually buy from suppliers?
- How do you typically place an order? (i.e. visit the store, phone)
- Who monitors the process and makes sure that the materials will be on site when needed?
- Do you use any technology (i.e. bar codes, EDI, RFID) for inventory control on site?
- Do you typically pick your materials or you like the supplier to deliver them?
- Do keep inventory in site? • Do you use Just in Time (JIT) delivery?
- How effective is the delivery of suppliers in terms of time and quality?
- What are the major problems that you can identify in the system? (i.e. delivery times, quantities, relations with suppliers)